

the Chatham School District assumed that the SLD may not have understood how the State of Alaska's public school funding program operated, and the Chatham School District's appeal was granted. Furthermore, you demonstrate that the District properly anticipated State of Alaska funding to cover their E-Rate share. Copies of the "ATTACHMENT B BUDGET", partial follow-up questions received, Chatham School District's appeal letter, SLD's decision on Chatham's appeal, letter from Division of School Finance for the State of Alaska, Department of Education & Early Development, and Lower Yukon School District's Basic Financial Statements, Additional Information, and Single Audit Reports for the years ended June 30, 2002, June 30, 2003, and June 30, 2004 are included as attachments on appeal. In closing the appeal, you respectfully request that the funding decision be reversed and funding be allowed.

- Upon review of your appeal letter and all supporting documentation, we find that the SLD properly denied the funding request for failure to demonstrate that, at the time the Form 471 was filed, you had secured access to the non-discounted portion of the funding request. During the selective review, you were requested on separate instances, April 22, 2004, July 14, 2004, October 4, 2004, November 4, 2004, and November 12, 2004, to provide a final approved operating budget or acceptable alternatives to an approved budget to demonstrate that the school had funds available for the non-discounted portion of the funding request. In the response provided to SLD on May 5, 2004, you provided only the draft budget allocating E-Rate share under revenue line "E-Rate Program". In the subsequent responses of October 11, 2004, and November 16, 2004, you provided a copy of your final approved budget indicating the revenue used to pay E-Rate share will be from "E-Rate Program". You were then requested on March 14, 2005 and March 15, 2005 to explain the revenue source of "E-Rate Program". In the responses dated March 15, 2005 and March 16, 2005, you stated that the revenue was based on projected E-Rate reimbursement on current year (FY7) applications, which is an insecure revenue source. On appeal, you state, "the District anticipated State of Alaska funding of at least \$16,500,000, and actually received over \$18,000,000 in such funding - ample funds to cover LYSD's E-rate share of \$142,562." However, during selective review, you never identified that you would use state funds to pay your share of E-rate. Program rules do not permit the SLD to accept new information on appeal except where an applicant was not given an opportunity to provide information during the initial review or an error was made by SLD. Furthermore, the Chatham School District's appeal which you reference, was granted because the District stated during the selective review that the state funds would cover their share of expenses, which is not the case for Lower Yukon School District. You have failed to demonstrate that you secured sufficient funds to pay your non-discounted portion of the funding request.
- SLD's review of your application indicated that the information you provided during the Item 25 review was not sufficient to demonstrate that, at the time you submitted your Form 471 application, you had secured access to these funds. In your appeal, you did not demonstrate that at the time you submitted your Form 471 application, you had secured access to these funds. Consequently, SLD denies your appeal.

- FCC rules require applicants to certify that, at the time they submit the FCC Form 471, they have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the products purchased as well as to pay the non-discounted charges for eligible products. 47 C.F.R. § 54.504(b); FCC Form 471, Block 6 Item 25. SLD reviews this certification by conducting an Item 25 "necessary resources" review. The FCC has emphasized the importance of conducting this review to protect the integrity of the schools and libraries support mechanism. *Request for Review by New Orleans Public Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45 and 97-21, Order, 16 FCC Rcd. 16,653, DA 01-2097 (rel. Sep. 18, 2001). This rule requires the applicant to pay its service provider the full cost of the non-discounted portion owed to the service provider from the funds budgeted within that funding year.

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We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Karen Goodwin

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503

Billed Entity Number: 145592
Form 471 Application Number: 417124
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

September 27, 2005

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503

Re: Applicant Name: LOWER YUKON SCHOOL DISTRICT
Billed Entity Number: 145592
Form 471 Application Number: 417124
Funding Request Number(s): 1147341, 1147360
Your Correspondence Received: June 15, 2005

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of SLD's Funding Year 2004 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1147341, 1147360
Decision on Appeal: **Denied**
Explanation:

- On appeal, you assert that the District provided a copy of the Board minutes approving the District's FY2004-05 budget, which demonstrates that the projected revenue of \$950,000 from FY7 E-Rate reimbursements was included as a revenue source. The District's total revenue was \$26,950,000, with \$16,500,000 coming from "State Sources". You state that the revenues from the E-Rate Program were projected to be only approximately 3.5% of the total revenues. You further state that your E-Rate share of \$142,562 was budgeted under "Support Services - Instruction", and the District also demonstrated that the revenue from the "E-Rate Program" would be fully expanded under "Utility Services". In addition, you indicate that the Lower Yukon School District's appeal is similar to an appeal submitted by another Alaska school district, the Chatham School District, whose applications were denied by the SLD for the exact same reasons. In their appeal,

the Chatham School District assumed that the SLD may not have understood how the State of Alaska's public school funding program operated, and the Chatham School District's appeal was granted. Furthermore, you demonstrate that the District properly anticipated State of Alaska funding to cover their E-Rate share. Copies of the "ATTACHMENT B BUDGET", partial follow-up questions received, Chatham School District's appeal letter, SLD's decision on Chatham's appeal, letter from Division of School Finance for the State of Alaska, Department of Education & Early Development, and Lower Yukon School District's Basic Financial Statements, Additional Information, and Single Audit Reports for the years ended June 30, 2002, June 30, 2003, and June 30, 2004 are included as attachments on appeal. In closing the appeal, you respectfully request that the funding decision be reversed and funding be allowed.

- Upon review of your appeal letter and all supporting documentation, we find that the SLD properly denied the funding request for failure to demonstrate that, at the time the Form 471 was filed, you had secured access to the non-discounted portion of the funding request. During the selective review, you were requested on separate instances, April 22, 2004, July 14, 2004, October 4, 2004, November 4, 2004, and November 12, 2004, to provide a final approved operating budget or acceptable alternatives to an approved budget to demonstrate that the school had funds available for the non-discounted portion of the funding request. In the response provided to SLD on May 5, 2004, you provided only the draft budget allocating E-Rate share under revenue line "E-Rate Program". In the subsequent responses of October 11, 2004, and November 16, 2004, you provided a copy of your final approved budget indicating the revenue used to pay E-Rate share will be from "E-Rate Program". You were then requested on March 14, 2005 and March 15, 2005 to explain the revenue source of "E-Rate Program". In the responses dated March 15, 2005 and March 16, 2005, you stated that the revenue was based on projected E-Rate reimbursement on current year (FY7) applications, which is an insecure revenue source. On appeal, you state, "the District anticipated State of Alaska funding of at least \$16,500,000, and actually received over \$18,000,000 in such funding - ample funds to cover LYSD's E-rate share of \$142,562." However, during selective review, you never identified that you would use state funds to pay your share of E-rate. Program rules do not permit the SLD to accept new information on appeal except where an applicant was not given an opportunity to provide information during the initial review or an error was made by SLD. Furthermore, the Chatham School District's appeal which you reference, was granted because the District stated during the selective review that the state funds would cover their share of expenses, which is not the case for Lower Yukon School District. You have failed to demonstrate that you secured sufficient funds to pay your non-discounted portion of the funding request.
- SLD's review of your application indicated that the information you provided during the Item 25 review was not sufficient to demonstrate that, at the time you submitted your Form 471 application, you had secured access to these funds. In your appeal, you did not demonstrate that at the time you submitted your Form 471 application, you had secured access to these funds. Consequently, SLD denies your appeal.

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Schools and Libraries Division
Universal Service Administrative Company

cc: Karen Goodwin

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503

Billed Entity Number: 145592
Form 471 Application Number: 417177
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

September 27, 2005

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503

Re: Applicant Name: LOWER YUKON SCHOOL DISTRICT
Billed Entity Number: 145592
Form 471 Application Number: 417177
Funding Request Number(s): 1147537, 1147569
Your Correspondence Received: June 15, 2005

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of SLD's Funding Year 2004 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1147537, 1147569
Decision on Appeal: **Denied**
Explanation:

- On appeal, you assert that the District provided a copy of the Board minutes approving the District's FY2004-05 budget, which demonstrates that the projected revenue of \$950,000 from FY7 E-Rate reimbursements was included as a revenue source. The District's total revenue was \$26,950,000, with \$16,500,000 coming from "State Sources". You state that the revenues from the E-Rate Program were projected to be only approximately 3.5% of the total revenues. You further state that your E-Rate share of \$142,562 was budgeted under "Support Services - Instruction", and the District also demonstrated that the revenue from the "E-Rate Program" would be fully expanded under "Utility Services". In addition, you indicate that the Lower Yukon School District's appeal is similar to an appeal submitted by another Alaska school district, the Chatham School District, whose applications were denied by the SLD for the exact same reasons. In their appeal,

the Chatham School District assumed that the SLD may not have understood how the State of Alaska's public school funding program operated, and the Chatham School District's appeal was granted. Furthermore, you demonstrate that the District properly anticipated State of Alaska funding to cover their E-Rate share. Copies of the "ATTACHMENT B BUDGET", partial follow-up questions received, Chatham School District's appeal letter, SLD's decision on Chatham's appeal, letter from Division of School Finance for the State of Alaska, Department of Education & Early Development, and Lower Yukon School District's Basic Financial Statements, Additional Information, and Single Audit Reports for the years ended June 30, 2002, June 30, 2003, and June 30, 2004 are included as attachments on appeal. In closing the appeal, you respectfully request that the funding decision be reversed and funding be allowed.

- Upon review of your appeal letter and all supporting documentation, we find that the SLD properly denied the funding request for failure to demonstrate that, at the time the Form 471 was filed, you had secured access to the non-discounted portion of the funding request. During the selective review, you were requested on separate instances, April 22, 2004, July 14, 2004, October 4, 2004, November 4, 2004, and November 12, 2004, to provide a final approved operating budget or acceptable alternatives to an approved budget to demonstrate that the school had funds available for the non-discounted portion of the funding request. In the response provided to SLD on May 5, 2004, you provided only the draft budget allocating E-Rate share under revenue line "E-Rate Program". In the subsequent responses of October 11, 2004, and November 16, 2004, you provided a copy of your final approved budget indicating the revenue used to pay E-Rate share will be from "E-Rate Program". You were then requested on March 14, 2005 and March 15, 2005 to explain the revenue source of "E-Rate Program". In the responses dated March 15, 2005 and March 16, 2005, you stated that the revenue was based on projected E-Rate reimbursement on current year (FY7) applications, which is an insecure revenue source. On appeal, you state, "the District anticipated State of Alaska funding of at least \$16,500,000, and actually received over \$18,000,000 in such funding - ample funds to cover LYSD's E-rate share of \$142,562." However, during selective review, you never identified that you would use state funds to pay your share of E-rate. Program rules do not permit the SLD to accept new information on appeal except where an applicant was not given an opportunity to provide information during the initial review or an error was made by SLD. Furthermore, the Chatham School District's appeal which you reference, was granted because the District stated during the selective review that the state funds would cover their share of expenses, which is not the case for Lower Yukon School District. You have failed to demonstrate that you secured sufficient funds to pay your non-discounted portion of the funding request.
- SLD's review of your application indicated that the information you provided during the Item 25 review was not sufficient to demonstrate that, at the time you submitted your Form 471 application, you had secured access to these funds. In your appeal, you did not demonstrate that at the time you submitted your Form 471 application, you had secured access to these funds. Consequently, SLD denies your appeal.

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Schools and Libraries Division
Universal Service Administrative Company

cc: Karen Goodwin

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503

Billed Entity Number: 145592
Form 471 Application Number: 417226
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

September 27, 2005

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503

Re: Applicant Name: LOWER YUKON SCHOOL DISTRICT
Billed Entity Number: 145592
Form 471 Application Number: 417226
Funding Request Number(s): 1147704
Your Correspondence Received: June 15, 2005

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of SLD's Funding Year 2004 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1147704
Decision on Appeal: **Denied**
Explanation:

- On appeal, you assert that the District provided a copy of the Board minutes approving the District's FY2004-05 budget, which demonstrates that the projected revenue of \$950,000 from FY7 E-Rate reimbursements was included as a revenue source. The District's total revenue was \$26,950,000, with \$16,500,000 coming from "State Sources". You state that the revenues from the E-Rate Program were projected to be only approximately 3.5% of the total revenues. You further state that your E-Rate share of \$142,562 was budgeted under "Support Services - Instruction", and the District also demonstrated that the revenue from the "E-Rate Program" would be fully expanded under "Utility Services". In addition, you indicate that the Lower Yukon School District's appeal is similar to an appeal submitted by another Alaska school district, the Chatham School District, whose applications were denied by the SLD for the exact same reasons. In their appeal,

the Chatham School District assumed that the SLD may not have understood how the State of Alaska's public school funding program operated, and the Chatham School District's appeal was granted. Furthermore, you demonstrate that the District properly anticipated State of Alaska funding to cover their E-Rate share. Copies of the "ATTACHMENT B BUDGET", partial follow-up questions received, Chatham School District's appeal letter, SLD's decision on Chatham's appeal, letter from Division of School Finance for the State of Alaska, Department of Education & Early Development, and Lower Yukon School District's Basic Financial Statements, Additional Information, and Single Audit Reports for the years ended June 30, 2002, June 30, 2003, and June 30, 2004 are included as attachments on appeal. In closing the appeal, you respectfully request that the funding decision be reversed and funding be allowed.

- Upon review of your appeal letter and all supporting documentation, we find that the SLD properly denied the funding request for failure to demonstrate that, at the time the Form 471 was filed, you had secured access to the non-discounted portion of the funding request. During the selective review, you were requested on separate instances, April 22, 2004, July 14, 2004, October 4, 2004, November 4, 2004, and November 12, 2004, to provide a final approved operating budget or acceptable alternatives to an approved budget to demonstrate that the school had funds available for the non-discounted portion of the funding request. In the response provided to SLD on May 5, 2004, you provided only the draft budget allocating E-Rate share under revenue line "E-Rate Program". In the subsequent responses of October 11, 2004, and November 16, 2004, you provided a copy of your final approved budget indicating the revenue used to pay E-Rate share will be from "E-Rate Program". You were then requested on March 14, 2005 and March 15, 2005 to explain the revenue source of "E-Rate Program". In the responses dated March 15, 2005 and March 16, 2005, you stated that the revenue was based on projected E-Rate reimbursement on current year (FY7) applications, which is an insecure revenue source. On appeal, you state, "the District anticipated State of Alaska funding of at least \$16,500,000, and actually received over \$18,000,000 in such funding - ample funds to cover LYSD's E-rate share of \$142,562." However, during selective review, you never identified that you would use state funds to pay your share of E-rate. Program rules do not permit the SLD to accept new information on appeal except where an applicant was not given an opportunity to provide information during the initial review or an error was made by SLD. Furthermore, the Chatham School District's appeal which you reference, was granted because the District stated during the selective review that the state funds would cover their share of expenses, which is not the case for Lower Yukon School District. You have failed to demonstrate that you secured sufficient funds to pay your non-discounted portion of the funding request.
- SLD's review of your application indicated that the information you provided during the Item 25 review was not sufficient to demonstrate that, at the time you submitted your Form 471 application, you had secured access to these funds. In your appeal, you did not demonstrate that at the time you submitted your Form 471 application, you had secured access to these funds. Consequently, SLD denies your appeal.

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Schools and Libraries Division
Universal Service Administrative Company

cc: Karen Goodwin

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99603

Billed Entity Number: 145592
Form 471 Application Number: 418655
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2004-2005

September 27, 2005

Saul R. Friedman, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99603

Re: Applicant Name: LOWER YUKON SCHOOL DISTRICT
Billed Entity Number: 145592
Form 471 Application Number: 418655
Funding Request Number(s): 1152938, 1152953, 1152960
Your Correspondence Received: June 15, 2005

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of SLD's Funding Year 2004 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1152938, 1152953, 1152960
Decision on Appeal: **Denied**
Explanation:

- On appeal, you assert that the District provided a copy of the Board minutes approving the District's FY2004-05 budget, which demonstrates that the projected revenue of \$950,000 from FY7 E-Rate reimbursements was included as a revenue source. The District's total revenue was \$26,950,000, with \$16,500,000 coming from "State Sources". You state that the revenues from the E-Rate Program were projected to be only approximately 3.5% of the total revenues. You further state that your E-Rate share of \$142,562 was budgeted under "Support Services ? Instruction", and the District also demonstrated that the revenue from the "E-Rate Program" would be fully expanded under "Utility Services". In addition, you indicate that the Lower Yukon School District's appeal is similar to an appeal submitted by another Alaska school district, the Chatham School District, whose applications were denied by the SLD for the exact same reasons. In their appeal,

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- SLD's review of your application indicated that the information you provided during the Item 25 review was not sufficient to demonstrate that, at the time you submitted your Form 471 application, you had secured access to these funds. In your appeal, you did not demonstrate that at the time you submitted your Form 471 application, you had secured access to these funds. Consequently, SLD denies your appeal.

- FCC rules require applicants to certify that, at the time they submit the FCC Form 471, they have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the products purchased as well as to pay the non-discounted charges for eligible products. 47 C.F.R. § 54.504(b); FCC Form 471, Block 6 Item 25. SLD reviews this certification by conducting an Item 25 "necessary resources" review. The FCC has emphasized the importance of conducting this review to protect the integrity of the schools and libraries support mechanism. *Request for Review by New Orleans Public Schools, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45 and 97-21, Order, 16 FCC Rcd. 16,653, DA 01-2097 (rel. Sep. 18, 2001). This rule requires the applicant to pay its service provider the full cost of the non-discounted portion owed to the service provider from the funds budgeted within that funding year.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Karen Goodwin

B



FUNDING COMMITMENT DECISION LETTER

(Funding Year 2004: 07/01/2004 - 06/30/2005)

April 19, 2005

Karen Goodwin
LOWER YUKON SCHOOL DISTRICT
100 AIRPORT RD
MOUNTAIN VLG, AK 99632

Re: Form 471 Application Number: 416962
Funding Year 2004: 07/01/2004 - 06/30/2005
Billed Entity Number: 145592
Applicant's Form Identifier: 471LYSDY7-1

Thank you for your Funding Year 2004 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$114,752.14 is "Denied."

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Review technology planning approval requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service providers) or Form 472 (Billed Entity)

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal the decision indicated in this letter, your appeal must be received by the SLD or postmarked withing 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Funding Commitment Decision(s) you are appealing. Indicate the relevant funding year and the date of the FCDL. Your letter of appeal must also include the Billed Entity Name, the

Form 471 Application Number, and the Billed Entity Number from the top of your letter.

3. When explaining your appeal, copy the language or text from the Funding Commitment Report that is at the heart of your appeal, to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, sent to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by the SLD.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connections requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on your Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SERVICE START DATE: The date services were reported to start for this FRN on your Form 471.

CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This will be present only for "site specific" FRNs.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the "Funding Commitment Decision."

FUNDING COMMITMENT REPORT

Form 471 Application Number: 416962
Funding Request Number: 1147061 Funding Status: Not Funded
Services Ordered: Telecommunications Service
SPIN: 143002704 Service Provider Name: United Utilities, Inc.
Contract Number: T
Billing Account Number: 907-591-2411
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$79,862.16
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$79,862.16
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Insufficient support resources
Funding Commitment Decision Explanation: During application review, you were asked to demonstrate that when you filed your Form 471 you had secured access to the funds needed to pay your portion of the charges, and you were unable to do so.

Funding Request Number: 1147086 Funding Status: Not Funded
Services Ordered: Telecommunications Service
SPIN: 143005617 Service Provider Name: AT&T Alascom, Inc.
Contract Number: T
Billing Account Number: 907-591-2411
Service Start Date: 07/01/2004
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$50,538.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$50,538.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Insufficient support resources
Funding Commitment Decision Explanation: During application review, you were asked to demonstrate that when you filed your Form 471 you had secured access to the funds needed to pay your portion of the charges, and you were unable to do so.

IMPORTANT REMINDERS & DEADLINES

Date: April 19, 2005
471 : 416962
BEN : 145592

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

FORM 486 DEADLINE - The Form 486 must be postmarked no later than 120 days after the Service Start Date you report on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If you are required to have a Technology Plan, that plan must be approved by the start of service for this funding year, you must indicate the SLD Certified Technology Approver who approved your plan and you must retain your approval letter and documentation of your monitoring of the progress toward your stated goals.

CHILDREN'S INTERNET PROTECTION ACT (CIPA) - You must be in compliance with CIPA and cannot request a waiver, if FY2004 is your Third Funding Year for the purposes of CIPA.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and services have been delivered and billed, and (for BEAR Forms) the provider has been paid.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If you are using a trade-in as part of your non-discount portion, please refer to the SLD web site.

RETAIN DOCUMENTATION - Applicants must retain documentation, including but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for 5 years.

SUSPENSION AND DEBARMENT - Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.

FREE SERVICES ADVISORY - Applicants and service providers are prohibited from using the Schools and Libraries Support Mechanism to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled.

Complete program information - including more information on these reminders - is posted to the Schools and Libraries Division (SLD) web site at www.sl.universalservice.org. You may also contact the SLD Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.